



TACOMA SCHOOL DISTRICT FINANCIAL HEALTH INDICATORS

OSPI Report
Fiscal Year 2018-19



Financial Health Indicators

- These indicators provide a view of the district's overall financial health as measured by the Office of Superintendent of Public Instruction (OSPI). This tool was developed by OSPI in response to school district insolvency concerns. To develop the indicators, OSPI uses data from every school districts' prior year financial reporting and is used to assess the financial health of Tacoma School District and is also used as a comparator to other districts in the state. This information is typically available to school districts in April of each year for the prior fiscal year.
- This data:
 - *Assign a financial health score based on data as of the end of the school fiscal year*
 - *Identify districts that are facing potential financial difficulties*
 - *Allow users to compare a district's financial indicator score over time*

Financial Health Indicators

The fiscal indicators utilized in this tool:

1. *Fund Balance to Revenue Ratio: measures what percentage of a district's revenues it currently has "in reserve".*
2. *Expenditures to Revenues: measures whether expenditures were greater or less than the amount of revenue the district brought in.*
3. *Days Cash on Hand: measures the number of days a district could operate if all funding were to dry up suddenly.*
4. *F195F 4-year Budget Summary Plan: measures how many years a district has reported having a negative fund balance deficit in its F195F report. (new metric added to financial health indicators in 2017-18)*

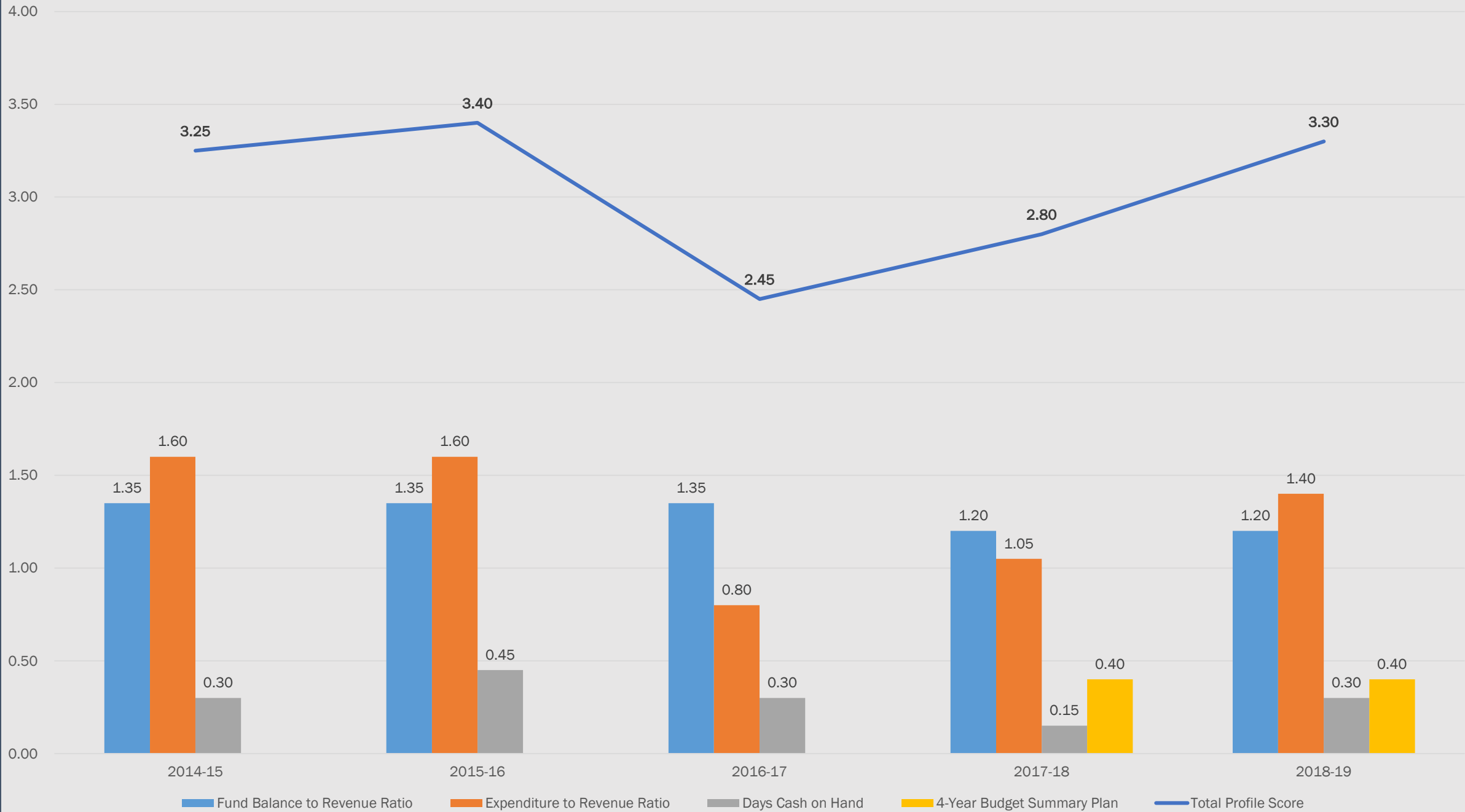
A value is calculated for each of these indicators, which is then weighted. These values are added together to arrive at the district's financial indicator score for each school year.

Financial Health Total Weighted Average

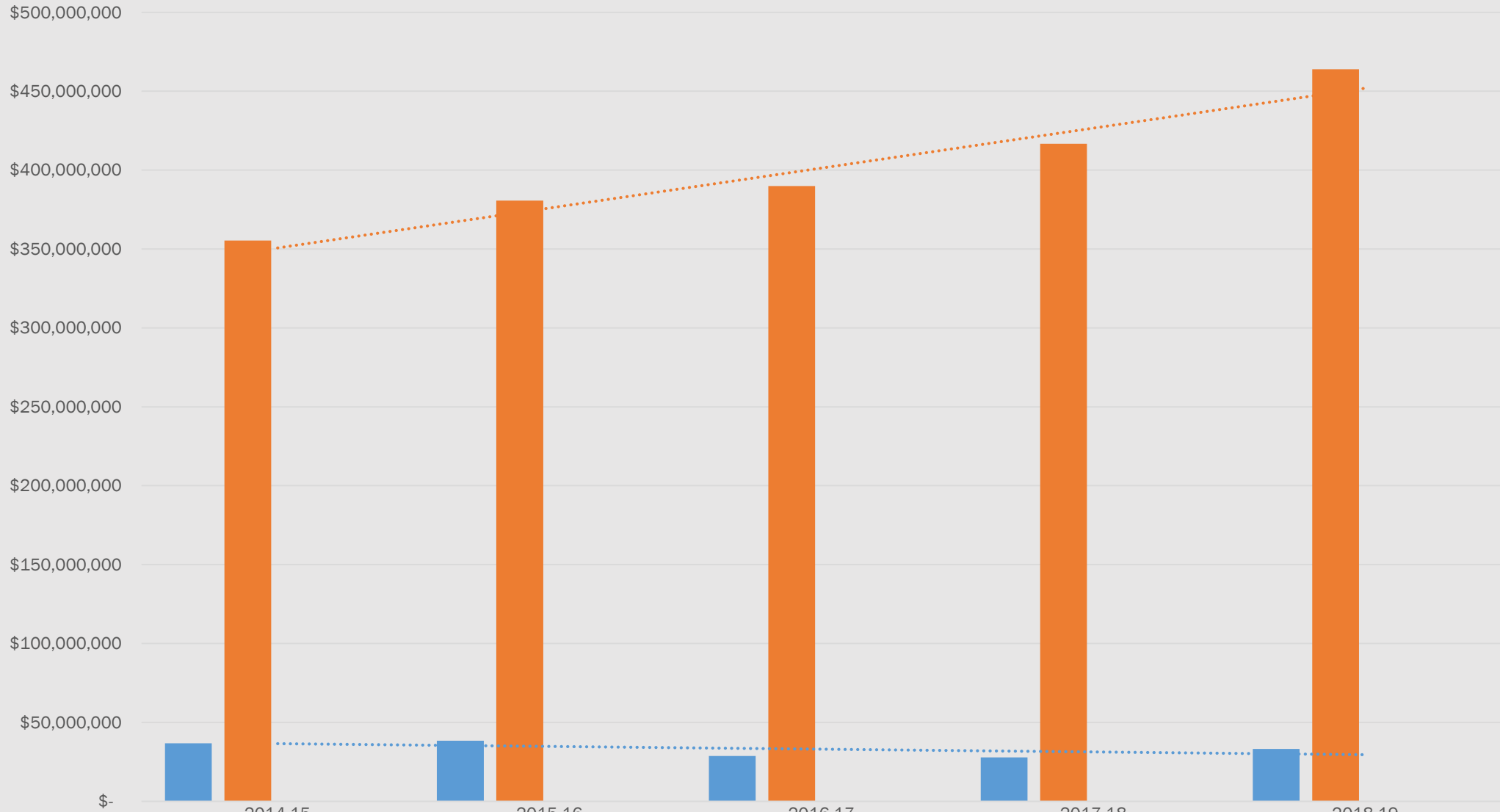
Matrix of Possible Scores					
<u>Category/Weighting</u>	<u>4</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>0</u>
Fund Balance to Revenue Ratio/40%	1.60	1.20	0.80	0.40	0.00
Expenditures to Revenues/35%	1.40	1.05	0.70	0.35	0.00
Days Cash on Hand/15%	0.60	0.45	0.30	0.15	0.00
F-195F 4-yr Budget Summary Plan/10%	0.40	0.30	0.20	0.10	0.00

Tacoma School District Weighted Score	2014-15	2015-16	2016-17	2017-18	2018-19
Fund Balance to Revenue Ratio	1.35	1.35	1.35	1.20	1.20
Expenditures to Revenues	1.60	1.60	0.80	1.05	1.40
Days Cash on Hand	0.30	0.45	0.30	0.15	0.30
F-195F 4-yr Budget Summary Plan	n/a	n/a	n/a	0.40	0.40
TOTAL PROFILE SCORE	3.25	3.40	2.45	2.80	3.30

TSD Weighted Score Trend



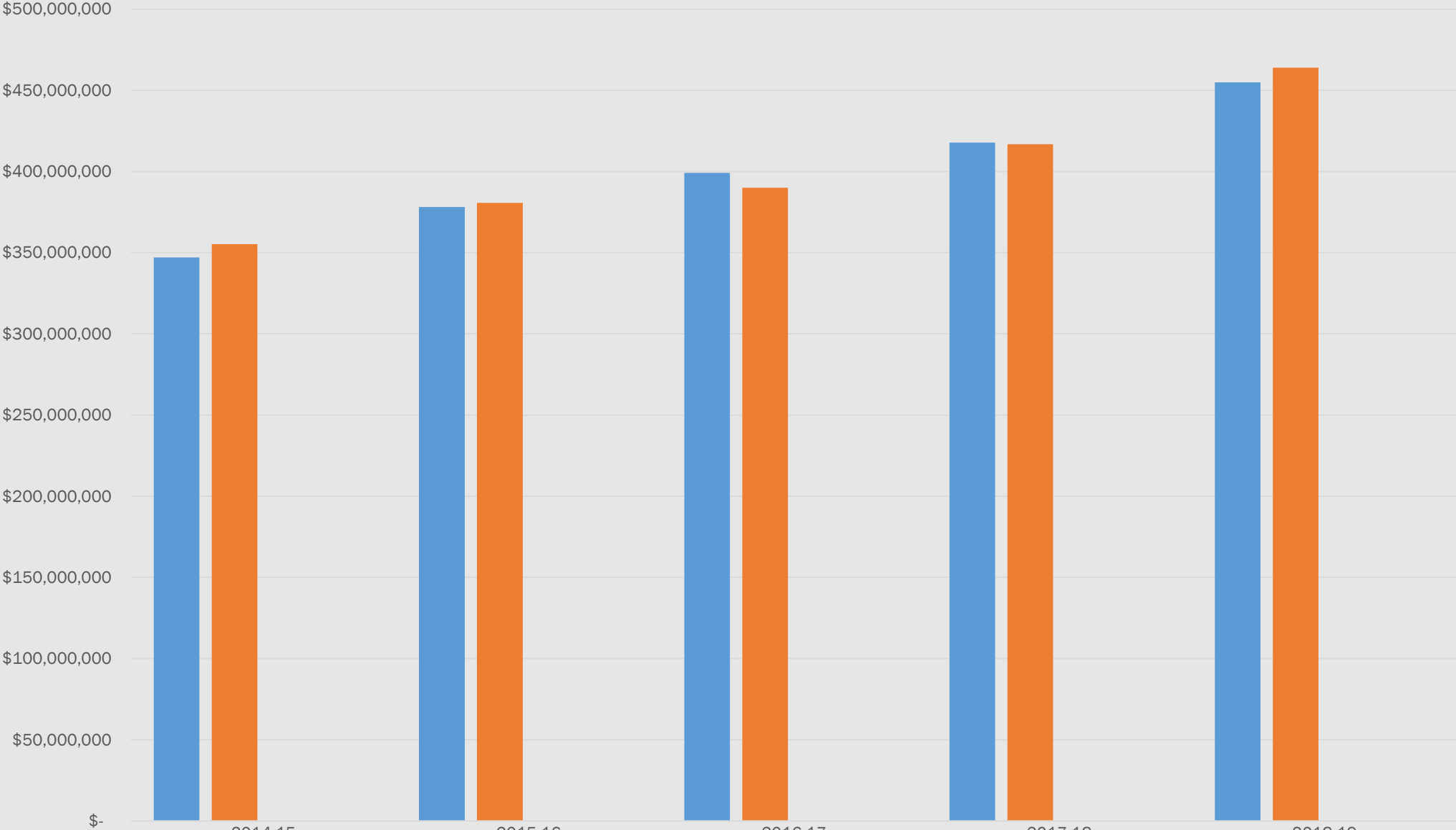
Fund Balance to Revenue Ratio



- "Unrestricted" Fund Balance
- Total Revenues and Other Financing Sources
- Ratio
- Score

..... Linear ("Unrestricted" Fund Balance) Linear (Total Revenues and Other Financing Sources)

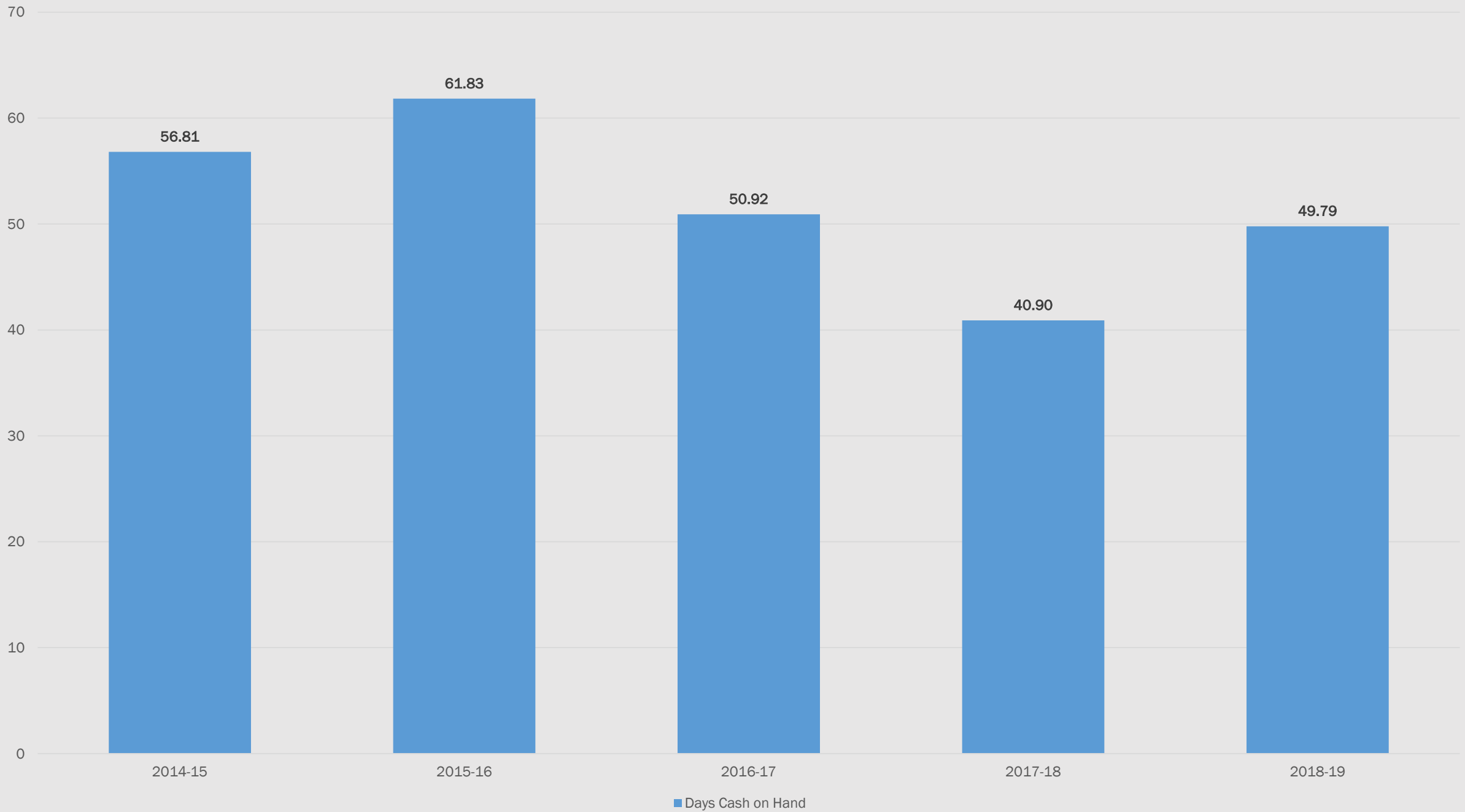
Expenditures to Revenue Ratio



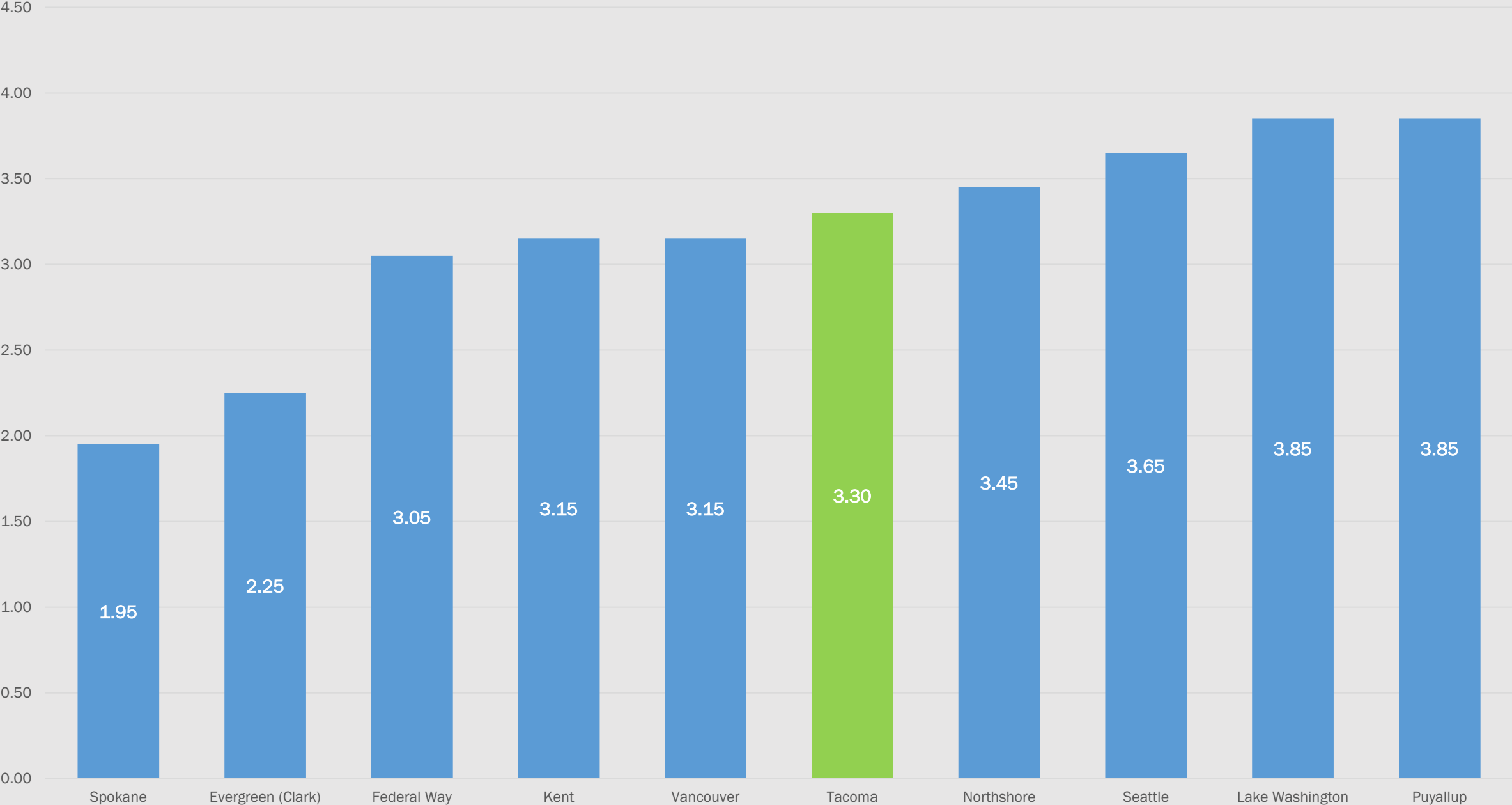
■ Total Expenditures divided by
■ Total Revenues and Other Financing Sources
■ Ratio
■ Score

2014-15	2015-16	2016-17	2017-18	2018-19
\$347,088,682	\$378,116,107	\$399,186,625	\$417,805,266	\$454,906,513
\$355,317,594	\$380,611,252	\$389,971,390	\$416,738,211	\$463,882,512
97.68%	99.34%	102.36%	100.26%	98.07%
4	4	2	3	4

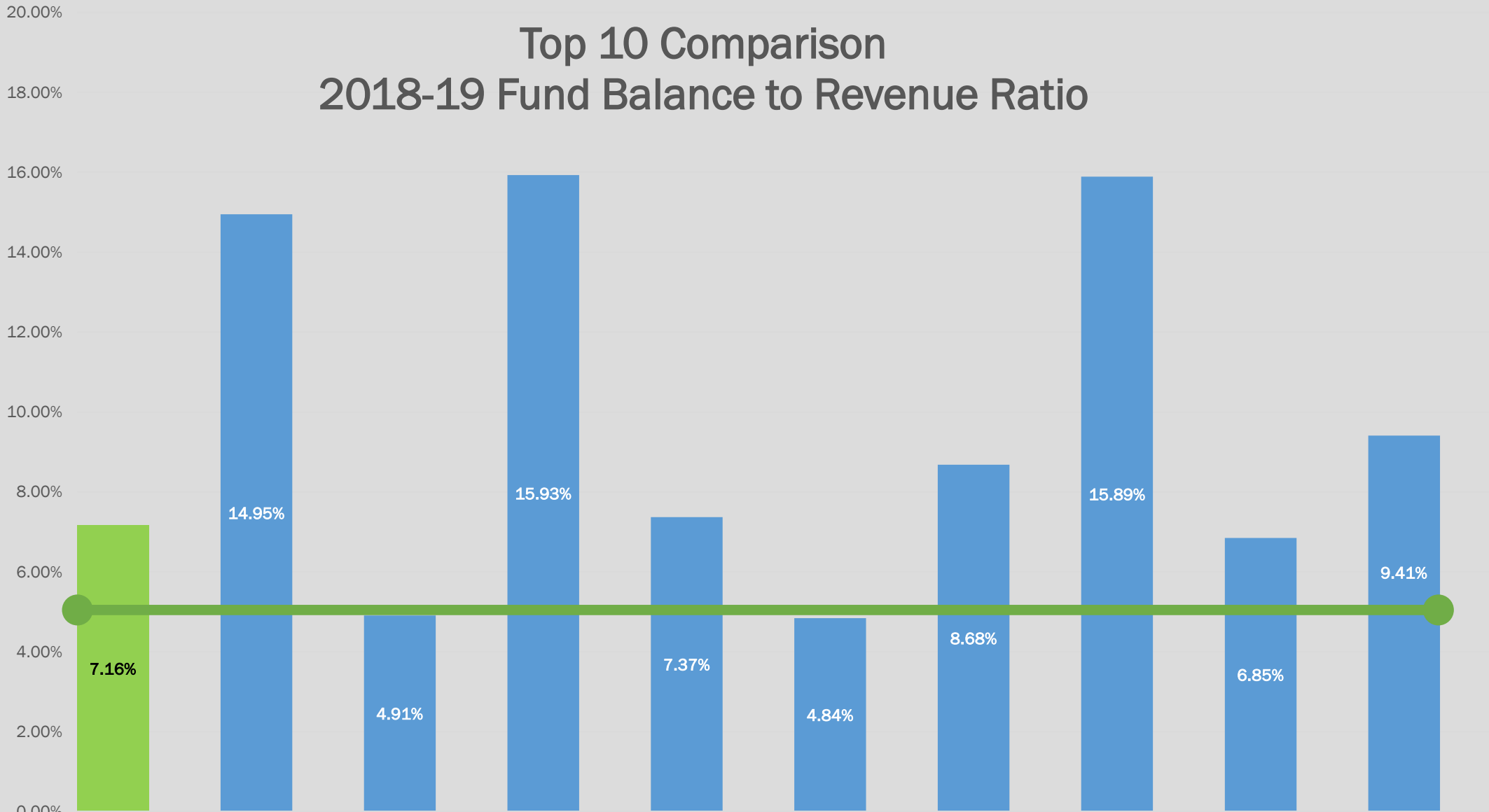
Days Cash on Hand



Top 10 Comparison 2018-19 OSPI Total Profile Score



Top 10 Comparison 2018-19 Fund Balance to Revenue Ratio

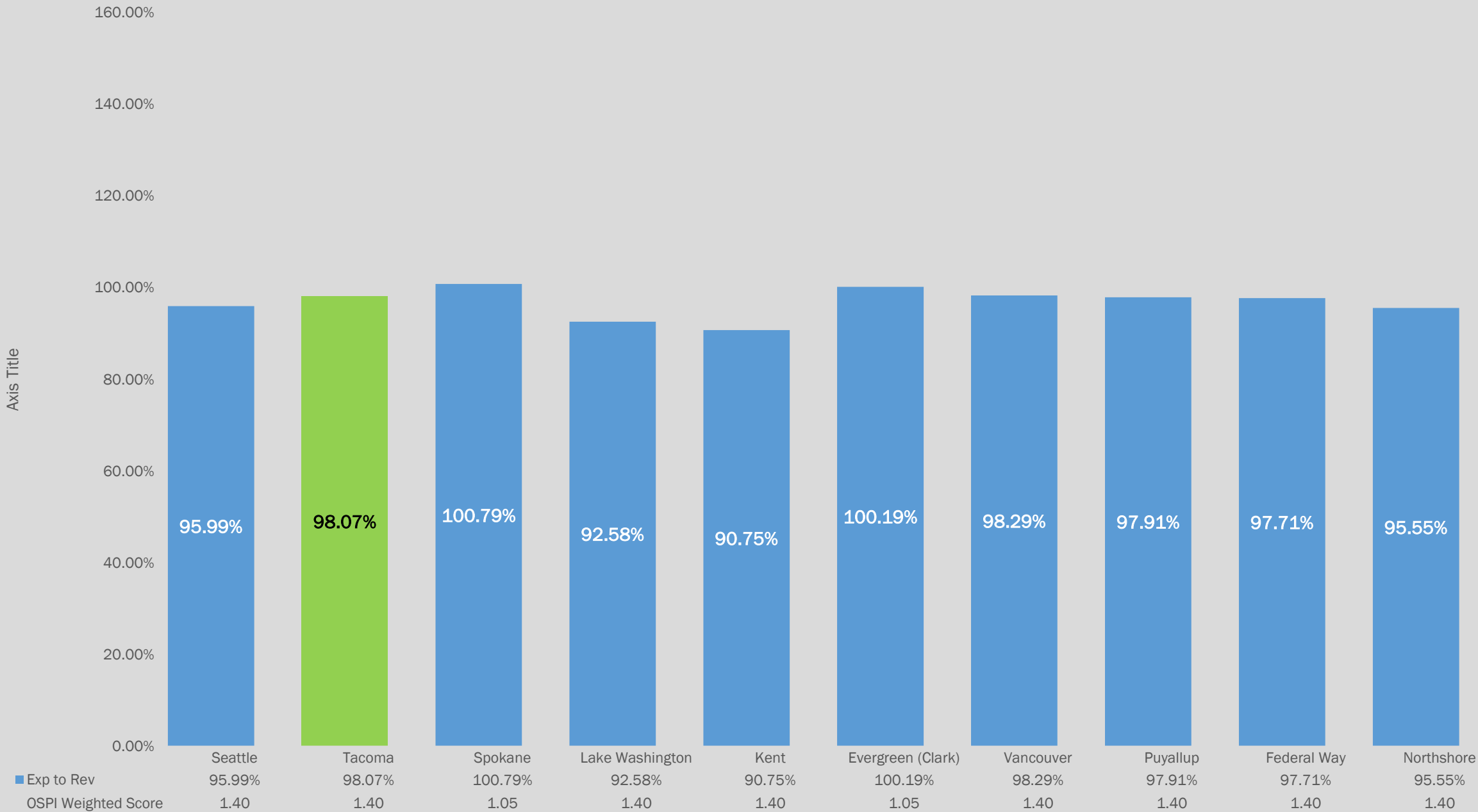


Fund Bal to Rev	7.16%	14.95%	4.91%	15.93%	7.37%	4.84%	8.68%	15.89%	6.85%	9.41%
OSPI Weighted Score	1.20	1.60	0.80	1.60	1.20	0.80	1.20	1.60	1.20	1.20

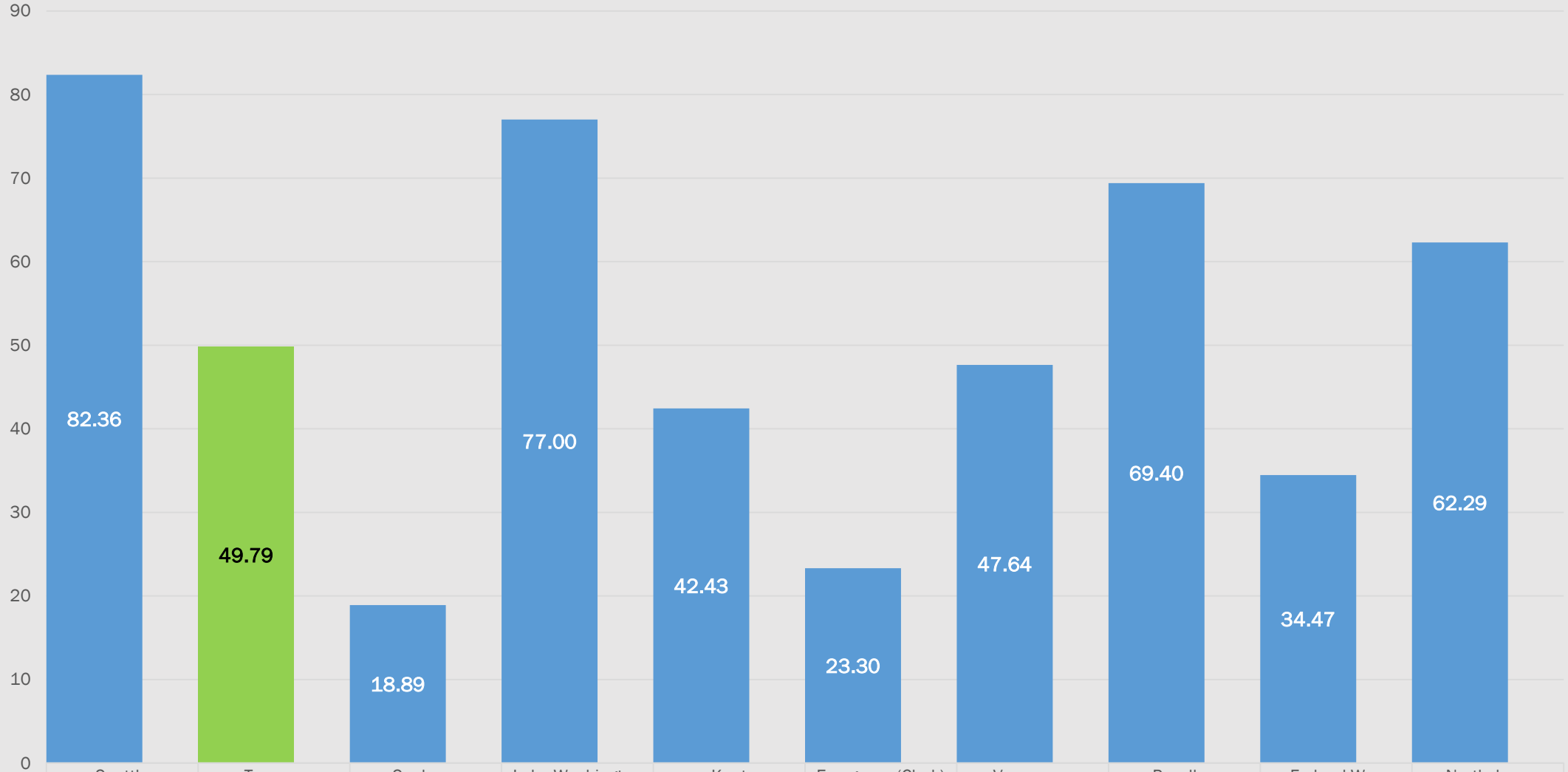
■ 5% Debt and Fiscal Minimum Balance (Tacoma)

Top 10 Comparison

2018-19 Expenditures to Revenue Ratio

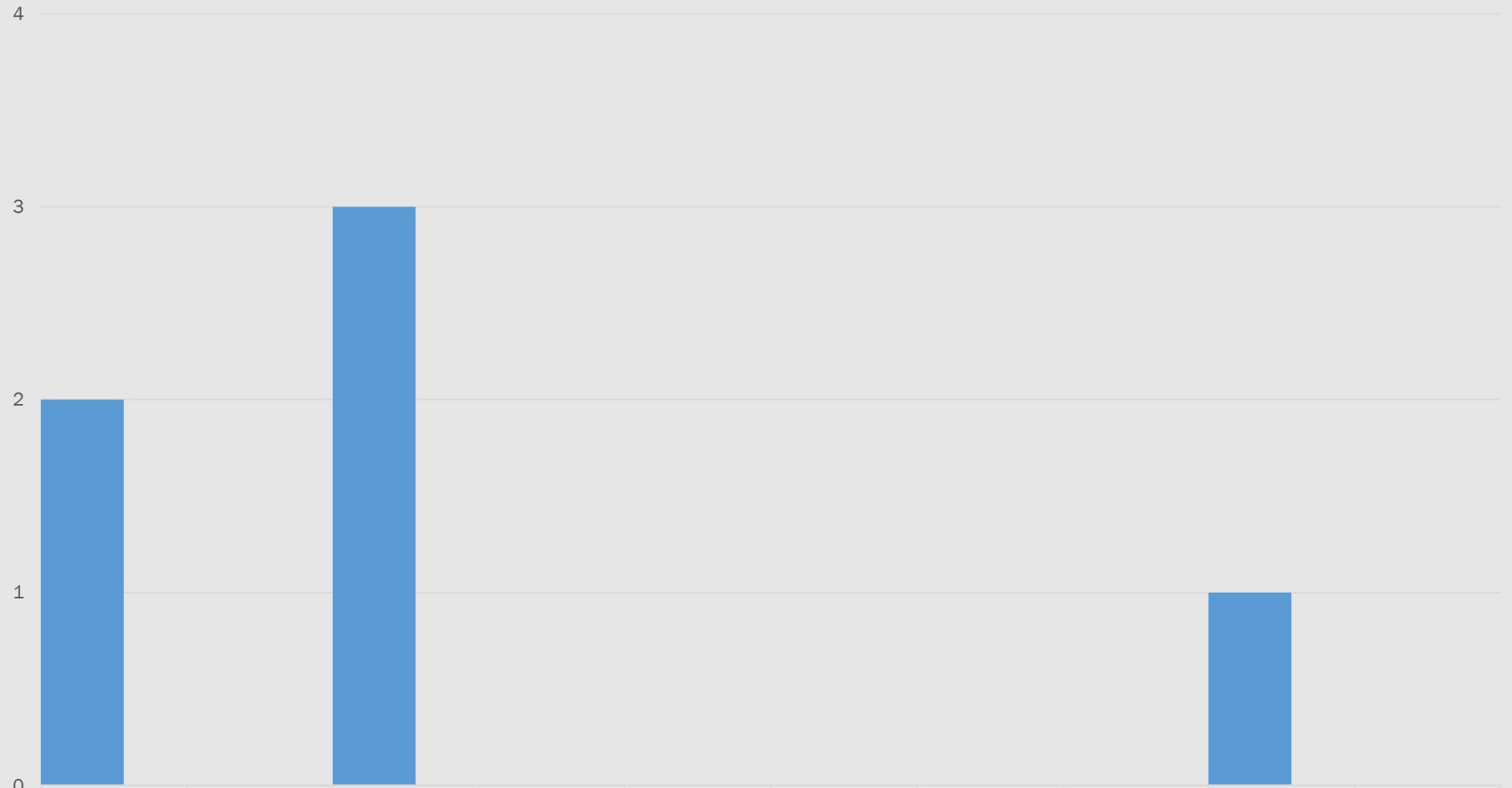


Top 10 Comparison 2018-19 Days Cash on Hand



■ Days Cash on Hand	82.36	49.79	18.89	77.00	42.43	23.30	47.64	69.40	34.47	62.29
OSPI Weighted Score	0.45	0.30	0.00	0.45	0.15	0.00	0.15	0.45	0.15	0.45

Top 10 Comparison Consecutive Years with a Deficit Fund Balance



	Seattle	Tacoma	Spokane	Lake Washington	Kent	Evergreen (Clark)	Vancouver	Puyallup	Federal Way	Northshore
■ Yrs with Neg. Fund Bal.	2	0	3	0	0	0	0	0	1	0
OSPI Weighted Score	0.20	0.40	0.10	0.40	0.40	0.40	0.40	0.40	0.30	0.40